

**SHB 2352 - H AMD 792**

By Representative Morris

**ADOPTED 2/10/2006**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 80.60.010 and 2000 c 158 s 1 are each amended to  
4 read as follows:

5 The definitions in this section apply throughout this chapter  
6 unless the context clearly indicates otherwise.

7 (1) "Commission" means the utilities and transportation  
8 commission.

9 (2) "Customer-generator" means a user of a net metering system.

10 (3) "Electrical company" means a company owned by investors  
11 that meets the definition of RCW 80.04.010.

12 (4) "Electric cooperative" means a cooperative or association  
13 organized under chapter 23.86 or 24.06 RCW.

14 (5) "Electric utility" means any electrical company, public  
15 utility district, irrigation district, port district, electric  
16 cooperative, or municipal electric utility that is engaged in the  
17 business of distributing electricity to retail electric customers  
18 in the state.

19 (6) "Irrigation district" means an irrigation district under  
20 chapter 87.03 RCW.

21 (7) "Municipal electric utility" means a city or town that owns  
22 or operates an electric utility authorized by chapter 35.92 RCW.

23 (8) "Net metering" means measuring the difference between the  
24 electricity supplied by an electric utility and the electricity  
25 generated by a customer-generator that is fed back to the electric  
26 utility over the applicable billing period.

27 (9) "Net metering system" means (~~a fuel cell or~~) a facility  
28 for the production of electrical energy that:

29 (a) Uses (~~as its fuel either solar, wind, or hydropower~~)  
30 renewable energy;

1 (b) Has a generating capacity of not more than (~~twenty-five~~)  
2 one hundred kilowatts;

3 (c) Is located on the customer-generator's premises;

4 (d) Operates in parallel with the electric utility's  
5 transmission and distribution facilities; and

6 (e) Is intended primarily to offset part or all of the  
7 customer-generator's requirements for electricity.

8 (10) "Port district" means a port district within which an  
9 industrial development district has been established as authorized  
10 by Title 53 RCW.

11 (11) "Public utility district" means a district authorized by  
12 chapter 54.04 RCW.

13 (12) "Renewable energy" means resources whose common  
14 characteristic is that they are nondepletable or are naturally  
15 replenishable existing or emerging nonfossil fuel energy sources or  
16 technologies, and shall include but not be limited to the  
17 following:

18 (a) Solar photovoltaic or solar thermal electric energy;

19 (b) Wind energy;

20 (c) Ocean thermal, wave, or tidal energy;

21 (d) Fuel cells;

22 (e) Landfill gas;

23 (f) Incremental gains in energy production from capital and  
24 operational improvements in hydroelectric generating facilities;

25 (g) Run of river hydropower generation;

26 (h) Hydroelectric generation that does not impede the flow in  
27 naturally flowing water;

28 (i) Advanced biomass power conversion technologies, such as  
29 gasification using such biomass fuels as wood, agricultural, or  
30 food wastes, energy crops, biogas, biodiesel, or organic  
31 refuse-derived fuel;

32 (j) Biomass energy using animal waste, solid organic fuels from  
33 wood, forest, or field residues, dedicated energy crops that do not  
34 include wood pieces that have been treated with chemical  
35 preservatives such as creosote, pentachlorophenol, or  
36 copper-chrome-arsenic; and

37 (k) Lignin in spent pulping liquors.

38 (l) The following technologies or fuels shall not be considered  
39 renewable energy supplies: Coal, oil, nuclear power, or fuel gases,

1 excluding fuel gases that are used in a combined heat and power  
2 plant designed to produce both heat and electricity from a single  
3 heat source.

4 **Sec. 2.** RCW 80.60.020 and 2000 c 158 s 2 are each amended to  
5 read as follows:

6 An electric utility:

7 (1) Shall offer to make net metering available to eligible  
8 customers-generators on a first-come, first-served basis until the  
9 cumulative generating capacity of net metering systems equals  
10 ~~((0.1))~~ 0.25 percent of the utility's peak demand during 1996. ~~((7~~  
11 ~~of which not less than 0.05 percent shall be attributable to net~~  
12 ~~metering systems that use as its fuel either solar, wind, or~~  
13 ~~hydropower))~~ If one or more utilities are found to be approaching  
14 the maximum cumulative generating capacity of net metering systems  
15 allowed under this subsection of this section, the legislature may  
16 review the generation threshold contained in this section for  
17 potential modification. On January 1, 2014 the cumulative  
18 generating capacity of net metering systems will equal 0.5 percent  
19 of the utility's peak demand during 1996;

20 (2) Shall allow net metering systems to be interconnected using  
21 a standard kilowatt-hour meter capable of registering the flow of  
22 electricity in two directions, unless the commission, in the case  
23 of an electrical company, or the appropriate governing body, in the  
24 case of other electric utilities, determines, after appropriate  
25 notice and opportunity for comment:

26 (a) That the use of additional metering equipment to monitor  
27 the flow of electricity in each direction is necessary and  
28 appropriate for the interconnection of net metering systems, after  
29 taking into account the benefits and costs of purchasing and  
30 installing additional metering equipment; and

31 (b) How the cost of purchasing and installing an additional  
32 meter is to be allocated between the customer-generator and the  
33 utility;

34 (3) Shall charge the customer-generator a minimum monthly fee  
35 that is the same as other customers of the electric utility in the  
36 same rate class, but shall not charge the customer-generator any  
37 additional standby, capacity, interconnection, or other fee or  
38 charge unless the commission, in the case of an electrical company,

1 or the appropriate governing body, in the case of other electric  
2 utilities, determines, after appropriate notice and opportunity for  
3 comment that:

4 (a) The electric utility will incur direct costs associated  
5 with interconnecting or administering net metering systems that  
6 exceed any offsetting benefits associated with these systems; and

7 (b) Public policy is best served by imposing these costs on the  
8 customer-generator rather than allocating these costs among the  
9 utility's entire customer base.

10 **Sec. 3.** RCW 80.60.030 and 1998 c 318 s 4 are each amended to  
11 read as follows:

12 Consistent with the other provisions of this chapter, the net  
13 energy measurement must be calculated in the following manner:

14 (1) The electric utility shall measure the net electricity  
15 produced or consumed during the billing period, in accordance with  
16 normal metering practices.

17 (2) If the electricity supplied by the electric utility exceeds  
18 the electricity generated by the customer-generator and fed back to  
19 the electric utility during the billing period, the customer-  
20 generator shall be billed for the net electricity supplied by the  
21 electric utility, in accordance with normal metering practices.

22 (3) If electricity generated by the customer-generator exceeds  
23 the electricity supplied by the electric utility, the customer-  
24 generator:

25 (a) Shall be billed for the appropriate customer charges for  
26 that billing period, in accordance with RCW 80.60.020; and

27 (b) Shall be credited for the excess kilowatt-hours generated  
28 during the billing period, with this kilowatt-hour credit appearing  
29 on the bill for the following billing period.

30 (~~(At the beginning)~~) On April 30th of each calendar year, any  
31 remaining unused kilowatt-hour credit accumulated during the  
32 previous year shall be granted to the electric utility, without any  
33 compensation to the customer-generator.

34 **Sec. 4.** RCW 80.60.040 and 2000 c 158 s 3 are each amended to  
35 read as follows:

36 (1) A net metering system used by a customer-generator shall  
37 include, at the customer-generator's own expense, all equipment

1 necessary to meet applicable safety, power quality, and  
2 interconnection requirements established by the national electrical  
3 code, national electrical safety code, the institute of electrical  
4 and electronics engineers, and underwriters laboratories.

5 (2) The commission, in the case of an electrical company, or  
6 the appropriate governing body, in the case of other electric  
7 utilities, after appropriate notice and opportunity for comment,  
8 may adopt by regulation additional safety, power quality, and  
9 interconnection requirements for customer-generators, including  
10 limitations on the number of customer generators and total capacity  
11 of net metering systems that may be interconnected to any  
12 distribution feeder line, circuit or network that the commission or  
13 governing body determines are necessary to protect public safety  
14 and system reliability.

15 (3) An electric utility may not require a customer-generator  
16 whose net metering system meets the standards in subsections (1)  
17 and (2) of this section to comply with additional safety or  
18 performance standards, perform or pay for additional tests, or  
19 purchase additional liability insurance. However, an electric  
20 utility shall not be liable directly or indirectly for permitting  
21 or continuing to allow an attachment of a net metering system, or  
22 for the acts or omissions of the customer-generator that cause loss  
23 or injury, including death, to any third party."

**EFFECT:** Provides a revised definition for renewable energy.  
Decreases the cumulative generating capacity of net metering  
systems to 0.25 percent of the utility's peak demand during  
1996. Increases on January 1, 2014 the cumulative generating  
capacity of net metering systems to 0.5 percent of the  
utility's peak demand during 1996. Provides electrical  
utilities the ability to limit the number of net metering  
customer-generators and total capacity of net metering systems  
that may be interconnected to any distribution feeder line,  
circuit or network to protect public safety and system  
reliability.